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State of Utah

DEPARTMENT OF NATURAL RESOURCES

MICHAEL R. STYLER
Executive Director

Division of Oil, Gas and Mining

JOHN R. BAZA
Division Director

June 24, 2015

Certified Return Receipt
7014 0150 0000 1194 3026

Eric Olsen
Deseret Generation and Transmission
12500 East 25500 South
Vernal, Utah 84078-8525

Subject: Division Directive to Provide an Updated Mine Plan and Recalculation of Reclamation Surety, Deseret Generation and Transmission, Diamond Mountain Resources Mine, M/047/0066, Uintah County, Utah

Dear Mr. Olsen:

Thank you for accommodating the Division of Oil, Gas and Mining (the Division) for an inspection of the Diamond Mountain Resources mine on June 16, 2015. The Division reviewed the Notice of Intention to Commence Large Mining Operations (Notice) as part of the inspection. The Division periodically requires updates to the Notice under rule R647-4-102. The Notice was approved in 2003 and contains contact information that is likely out of date. The mine operational and reclamation plans outlined in the text should also be reviewed and updated as necessary. The Notice contains original maps showing the site as proposed disturbance. These maps should be updated to show operations reflective of current conditions. Other agency permits that were included in the plan have expired and should be replaced with updated documents.

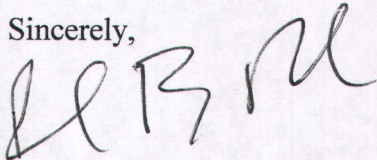
The surety calculation included in Appendix F was originally calculated based on a 17.64-acre disturbance. The surety calculation should be recalculated based, at a minimum, on the current disturbance of 27 acres and taking into account any planned future disturbance. As an alternative, you may wish to bond for the entire permitted 47.3-acre disturbance. The Division has bond calculation worksheets that can be used to update the reclamation cost estimate. The forms can be downloaded from the Division's web site at http://linux1.ogm.utah.gov/WebStuff/wwwroot/minerals/bonding_worksheets.html.



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You are hereby directed to provide an updated Notice and reclamation cost estimate by September 22, 2015. Please contact April Abate at 801-538-5214, or by e mail at aprilabate@utah.gov if you have any questions about this important permitting action. Questions about the reclamation cost estimate worksheets may be directed to Wayne Western at 801-538-5263 or by e mail at waynewestern@utah.gov. Thank you for your cooperation.

Sincerely,

A handwritten signature in black ink, appearing to read "PB Baker", written over the word "Sincerely,".

Paul B. Baker
Minerals Program Manager

PBB: aa: eb

Cc : Dave Herron, USFS (daherron@fs.fed.us)

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